

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

DEC 18 2008

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| STATE OF NEBRASKA |) | |
| DEPARTMENT OF INSURANCE, |) | |
| |) | ORDER SUSPENDING |
| PETITIONER, |) | CERTIFICATE OF AUTHORITY |
| |) | |
| VS. |) | |
| |) | CAUSE NO. C-1742 |
| MEDICAL SAVINGS INSURANCE |) | |
| COMPANY, |) | |
| |) | |
| RESPONDENT. |) | |
| |) | |

Medical Savings Insurance Company is an Indiana domestic life and health stock insurance company holding a Certificate of Authority to transact the business of insurance in Nebraska.

Neb.Rev.Stat. § 44-134 allows the Department of Insurance to suspend or revoke a certificate of authority of a foreign or alien company to do business in this state whenever any of the grounds mentioned in Neb.Rev.Stat. §§ 44-4809, 44-4812, or 44-4817 exist as to a foreign or alien company.

On December 1, 2008, the Marion Circuit Court of Marion County Indiana entered an order placing Medical Savings Insurance Company in rehabilitation. As a result of these developments, the Director of Insurance of the State of Nebraska has reasonable cause to believe that Medical Savings Insurance Company is in such condition that the further transaction of its business would be hazardous to the public or to the holders of its policies or certificates of insurance.

Medical Savings Insurance Company reported surplus as regards policyholders of \$4,295,073 as of December 31, 2007, declining to \$1,722,316 as of September 30, 2008. Therefore, pursuant to Title 210, Chapter 55 (004.06), Medical Savings Insurance Company is defined as hazardous to the public or to holders of its policies of insurance as its operating loss in the last 12

months has exceeded 50% of the remaining surplus as regard to policyholders in excess of the minimum required.

The Director of Insurance for the State of Nebraska is authorized to suspend the Certificate of Authority of Medical Savings Insurance Company, a foreign insurer, pursuant to Neb.Rev.Stat. §§ 44-134 and 44-4817 on the basis of such findings.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Neb.Rev.Stat. §§44-134, and 44-4817 that the Nebraska Certificate of Authority held by Medical Savings Insurance Company is hereby suspended. Accordingly, Medical Savings Insurance Company shall cease writing any new business in Nebraska.

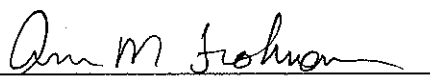
IT IS FURTHER ORDERED that all appointments of agents of Medical Savings Insurance Company filed with the Nebraska Department of Insurance are suspended and that Medical Savings Insurance Company shall immediately notify such appointed agents of this Order and its terms.

IT IS FURTHER ORDERED that this suspension of the Nebraska Certificate of Authority held by Medical Savings Insurance Company shall not prohibit the renewal of life and health insurance policies in existence prior to the date of this order.

IT IS FURTHER ORDERED that Medical Savings Insurance Company shall have ten days from the date this Order is received to seek administrative review of this Order by making a written request to the Director of Insurance for the State of Nebraska for a hearing on this matter.

Dated this 18th day of December 2008.

DEPARTMENT OF INSURANCE
STATE OF NEBRASKA


Ann M. Frohman
Director of Insurance

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Order Suspending Certificate of Authority was served upon the Insurance Commissioner of the State of Indiana, the President of Medical Savings Insurance Company, at P.O. Box 68961, Indianapolis, Indiana 46268-0961 by certified mail, return-receipt requested, the Commissioner of Insurance for the State of Indiana, and the Nebraska Life and Health Guaranty Fund, by U.S. Mail, first class, this 18 day of December 2008.

